

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00 DODE-00

INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 OMB-01 L-03

H-02 XMB-04 SEC-01 FRB-01 /057 W

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R 121209Z JUL 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 3963

UNCLAS SANTIAGO 4896

EO 11652: N/A

TAGS: EINV, BDIS, CI

SUBJECT: GENERAL TIRE/INSA DEVELOPMENTS

REF: SANTIAGO 4514

1. SUMMARY: FORMER INSA PRESIDENT AND VICE PRESIDENT TAKE PAID ADVERTISEMENT TO BLAME GENERAL TIRE FOR ALL IMPROPRIETIES IN INSA CASE. END SUMMARY.

2. IN EARLY JULY GENERAL TIRE (GT) REPRESENTATIVES ON INSA BOARD OF DIRECTORS, WITH SUPPORT OF DIRECTORS REPRESENTING CORFO, OUSTED SCHIESS REPRESENTATIVES FROM INSA'S PRESIDENCY AND VICE PRESIDENCY, (AS REPORTED REFTTEL, HOWEVER, THEY REMAIN ON BOARD). OUSTED OFFICIALS IMMEDIATELY CALLED PRESS CONFERENCE AND ALLEGED THAT GT WAS COMPLETELY TO BLAME FOR INSA'S DIFFICULTIES AND FRUCTAL ACCOUNT.

3. IN PAID ADVERTISEMENT IN PRESS JULY 10, OUSTED OFFICIALS REPEAT ALLEGATIONS AS FOLLOWS:

THEY, NOT GT, INITIATED INVESTIGATION OF FRUCTAL ACCOUNT IN DECEMBER 1974. GT TRIED TO STOP INVESTIGATION, FORCING THEM TO DENOUNCE GT TO US CONGRESS, US STATE DEPARTMENT, "AMERICAN STOCK EXCHANGE CONTROL" AND EMBASSIES. FROM INSA'S BEGINNING, MORE THAN 30 YEARS AGO, GT IMPROPERLY DIVERTED INSA FUNDS TO

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ACCOUNT NUMBER 611 IN AKRON, OHIO. ACCOUNTING FOR FUND, WHICH

CONTINUES TO THIS DAY, WAS NEVER MADE TO INSA. FRUCTAL ACCOUNT WAS OPENED IN SIMILAR FASHION BY GT IN 1964. GT USED FUNDS FROM 611 AND FRUCTAL ACCOUNTS, WHICH WERE FED BY OVERINVOICING INSA IMPORTS, TO SUPPORT POLITICAL CAMPAIGNS AND MAKE OTHER IMPROPER PAYMENTS. THIS WAS DONE WITH KNOWLEDGE OF PRESIDENTS OF GENERAL TIRE INTERNATIONAL AND GENERAL TIRE AND RUBBER CO.

4. ADVERTISEMENT CLOSES WITH ALLEGATION THAT GT IS THE ONE DELAYING REPATRIATION OF 611 AND FRUCTAL ACCOUNTS. DIRECTORS OFFER ALL STOCKHOLDERS CHANCE TO REVIEW DOCUMENTARY EVIDENCE SUPPORTING THEIR CHARGES.
THOMPSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Copy: SINGLE
Draft Date: 12 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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